GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:4777
ANSWERED ON:22.12.2014
DEMAND AND SUPPLY OF NATURAL GAS
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Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the present level of demand and supply of natural gas in the country and the steps taken by the Government to fill the gap and fix the priority in allocation of gas to various sectors including fertilizer and power;

(b) the details of the companies who have been set up Liquefied Natural Gas (LNG)/re-gasification terminals due to growing dependence on LNG, company/State- wise;

(c) the details of natural gas in terms of quantity and value imported from various countries to meet the rising demand in the country, country/company-wise;

(d) whether on the basis of the recommendations made by the Group of Ministers, priority of various sectors of economy has been finalised for allocation of natural gas from various oil and gas oil fields including Krishna- Godavari Basin; and

(e) if so, the details of the gas utilisation policy along with gas procured by gas producing public/private sector companies and allocated to various priority/non-priority sectors including the prices of natural gas, company/ sector/oil field-wise?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DHARMENDRA PRADHAN)

(a): As per the report of the Working Group on Petroleum & Natural Gas sector for the 12th Five Year Plan, the overall demand, ignoring the issue of price sensitivity, would be 405 MMSCMD by various sectors during 2014-15. Against demand projection of 293 MMSCMD and 371 MMSCMD for the year 2012-13 & 2013-14, the actual demand was 134.28 MMSCMD and 121.13 MMSCMD respectively. During the period from April to September 2014, 74.79 MMSCMD of domestic gas and 44.55 MMSCMD of RLNG was supplied to various sectors.

In order to bridge the gap between demand and supply of gas, Government has taken several steps to improve the availability of gas which, inter-alia, include revision in the price of domestic natural gas, intensification of domestic exploration and production activities through New Exploration Licensing Policy (NELP) rounds, development of shale gas policy framework, research and development of gas hydrate resources in the country, import of Liquefied Natural Gas (LNG), exploring possibility of transnational gas pipelines, clearance for exploration and development of some NELP blocks, exploration in the Mining Lease Area with certain conditions and acquisition of overseas oil and gas assets.

Presently, govt. is broadly following the under- mentioned order of priority in allocation of domestic gas:
(i) Existing Gas based urea plants (ii) Existing Gas based LPG plants (iii) Existing grid connected and gas based power plants (iv) City Gas Distribution (CGD) network for domestic and transport sectors (v) Other sectors including steel, refineries, petrochemicals, CGD for industrial and commercial customers etc.
However, in order to comply with the orders of Honble Supreme Court in the case of M.C. Mehta Vs UOI & Ors. in WP 13029/1985, ordered in April, 2002 according highest priority to transport sector in allocation of natural gas, it has been decided to meet the entire requirement of CGD entities for CNG (transport) and PNG (domestic) segments through domestic gas for which the additional requirement is presently being met by applying pro-rata cuts on the supply of domestic gas to customers in the non-priority sectors.

(b): The details of the existing Liquefied Natural Gas (LNG)/Re-gasification terminals in the country are as under:

Name of the Company	Location	Existing Capacity (in MMTPA)
Petronet LNG Ltd.	Dahej	10
Hazira LNG Pvt. Ltd.	Hazira	5
GAIL (India) Ltd.	Dabhol	2

(c): Natural Gas is imported in the country in the form of Liquefied Natural Gas (LNG) by different public/ private entities under Open General License keeping in view the demand of customers in various sectors.

(d) & (e): Yes, Madam. Presently, for allocation of domestic gas government is broadly following the order of priority as mentioned in reply to part (a) of the Question. During the first half year of the current financial year, 91.772 mmscmd of gas has been produced in the country. After making deduction for internal consumption including technical flaring, 74.79 mmscmd of domestic gas has been supplied to various user industries. In addition, 44.55 mmscmd of imported RLNG has also been supplied.

The price of domestic natural gas is determined as per New Domestic Gas Pricing Guidelines, 2014 notified by the Government of India on 25.10.2014, and provisions of the respective Production Sharing Contract and sold by different companies to different consumers after adding taxes, transportation charges and marketing margin etc. as applicable.